

## **IC 9-23-5**

### **Chapter 5. Succession to Franchise by Designated Family Members**

#### **IC 9-23-5-1**

##### **Application of chapter**

Sec. 1. This chapter does not apply to a franchise if:

- (1) the franchise is granted to a dealer other than a new motor vehicle dealer; and
- (2) the franchise or other written document filed with the franchisor includes the franchisee's designation of a successor to the franchise who is not the:
  - (A) franchisee's spouse;
  - (B) child of the franchisee;
  - (C) grandchild of the franchisee;
  - (D) spouse of a:
    - (i) child; or
    - (ii) grandchild;of the franchisee;
  - (E) parent of the franchisee; or
  - (F) sibling of the franchisee.

*As added by P.L.2-1991, SEC.11. Amended by P.L.118-2001, SEC.5; P.L.1-2002, SEC.43.*

#### **IC 9-23-5-2**

##### **Prerequisites for succession to franchise**

Sec. 2. A designated family member of a deceased or incapacitated franchisee may succeed the franchisee under the existing franchise if:

- (1) the manufacturer or distributor determines, subject to section 3 of this chapter, that the existing franchise should be honored; and
- (2) the designated family member complies with section 4 of this chapter.

*As added by P.L.2-1991, SEC.11.*

#### **IC 9-23-5-3**

##### **Good cause refusal to honor franchise**

Sec. 3. A manufacturer or distributor may refuse to honor the existing franchise for a designated family member only for good cause.

*As added by P.L.2-1991, SEC.11.*

#### **IC 9-23-5-4**

##### **Qualification of designated family member to succeed franchise**

Sec. 4. To qualify to succeed the franchisee under the existing franchise, a designated family member must do all of the following:

- (1) Within one hundred twenty (120) days after the franchisee's death or disability, give the manufacturer or distributor written notice of the designated family member's intention to succeed

to the franchise.

(2) Agree to be bound by all terms and conditions of the existing franchise.

(3) Meet the criteria generally applied at the time of the franchisee's death or incapacity by the manufacturer or distributor in qualifying new motor vehicle dealers as franchisees.

(4) If requested by the manufacturer or distributor, supply promptly personal and financial data that is reasonably necessary for the manufacturer or distributor to determine if the existing franchise should be honored.

*As added by P.L.2-1991, SEC.11.*

#### **IC 9-23-5-5**

##### **Notice of refusal to honor franchise; service**

Sec. 5. Within sixty (60) days after receipt of:

(1) the notice from a designated family member under section 4(1) of this chapter; or

(2) requested personal or financial data under section 4(4) of this chapter;

a manufacturer or distributor who determines that good cause exists for refusing to honor the existing franchise shall serve notice upon the designated family member of the determination.

*As added by P.L.2-1991, SEC.11.*

#### **IC 9-23-5-6**

##### **Notice of refusal to honor franchise; contents**

Sec. 6. The notice required under section 5 of this chapter must state the following:

(1) The specific grounds for the manufacturer's or distributor's determination.

(2) The date on which the existing franchise will be discontinued.

*As added by P.L.2-1991, SEC.11.*

#### **IC 9-23-5-7**

##### **Date for discontinuance**

Sec. 7. The date for discontinuance under section 6 of this chapter must not be earlier than ninety (90) days after the date the notice is served.

*As added by P.L.2-1991, SEC.11.*

#### **IC 9-23-5-8**

##### **Untimely or noncomplying notice; continuance of franchise**

Sec. 8. If notice of the manufacturer's determination is not served within the time periods specified in section 5 of this chapter and does not comply with section 6 of this chapter, the franchise must be honored and is not subject to discontinuance under this chapter.

*As added by P.L.2-1991, SEC.11.*